



TOM TINDALL
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

"To enrich lives through effective and caring service"

Telephone: (323) 267-2101
FAX: (323) 264-7135

May 14, 2012

To: Supervisor Zev Yaroslavsky, Chair
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Tom Tindall
Director

Tom Tindall

Subject: **ENERGY UPGRADE CALIFORNIA – LOS ANGELES COUNTY
STATUS REPORT (RESPONSE TO ITEM 15, AGENDA OF
MARCH 6, 2012)**

On March 6, 2012, your Board, on motion of Supervisor Yaroslavsky, instructed the Chief Executive Office (CEO) and the Director of the Internal Services Department (ISD) to:

1. Maintain data, which shall be updated as often as feasible but no less than once per month, showing the number of participants within each component subprogram of Energy Upgrade California – Los Angeles County (EUCLA), including data showing the number of participants who have, within each subprogram: (a) applied for participation in each of the respective sub-programs, (b) received approval of their application, (c) begun physical improvements of their home / commercial location (where applicable), (d) completed physical improvements (where applicable), and (e) received rebate checks or otherwise successfully finished their participation in the program;
2. Establish goals for the number of total participants over the life of the program for EUCLA overall and within each subprogram;
3. Establish benchmarks by month for EUCLA overall and within each subprogram by which the progress of the total program and each subprogram shall be measured;

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4. Maintain a narrative description, which shall be made available to the Board of Supervisors no less than once per month, of the steps taken to improve performance of EUCLA overall and for any subprogram in any month in which the benchmarks established in #3 are not met for EUCLA overall and for each subprogram, potentially including, as the CEO and Director of ISD deem appropriate, a reallocation of resources from underperforming subprograms to subprograms that are meeting or exceeding benchmarks.

This memorandum provides the third status report on the EUCLA program, updated through April, 2012. An initial status report, including descriptions of each EUCLA subprogram, projected results for each, results and progress through the month of February 2012, and narrative of activities to improve program performance was submitted to your Board on March 21, 2012.

In accordance with your Board's instructions, Attachment I provides the following:

- Graphics and narrative illustrating the number of applications received, applications approved, projects completed and incentive checks issued for the Advanced/Basic/FlexPath subprograms. The FlexPath subprogram continues to show strong growth in applications.
- Additional graphics and narrative for the subprograms showing total participant goals and monthly benchmarks to measure progress of each.
- A monthly narrative description of EUCLA program changes. The narrative identifies lessons learned and program revisions to increase program participation and/or reallocate resources.

ISD continues to work closely with grantor agencies, the energy contractor community, finance professionals, and the project team to design initiatives to increase program participation. EUCLA will continue to adapt as the energy efficiency market develops.

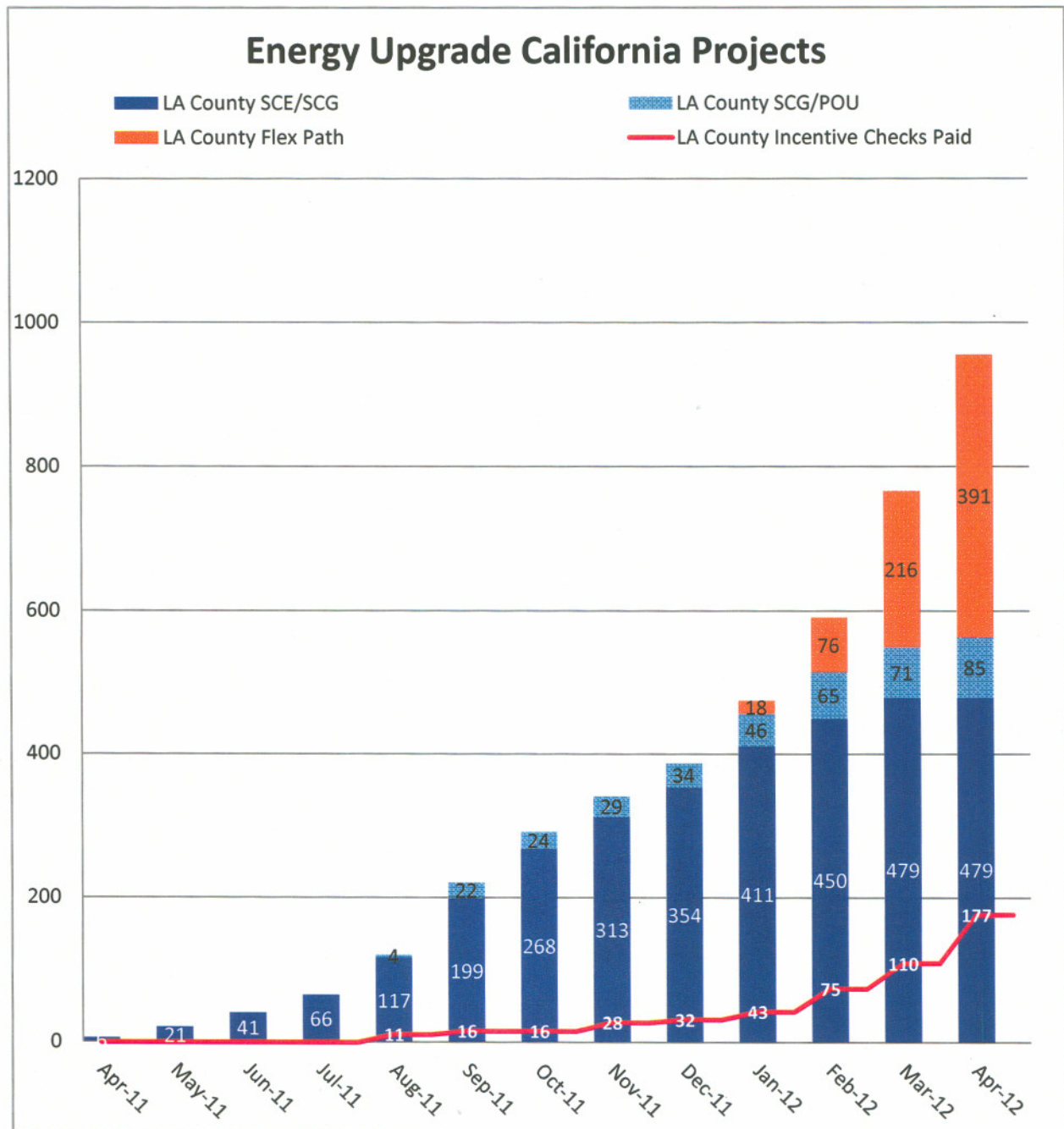
If you have any questions, please contact me at 323-267-2101.

TT:JJ:HC:TW

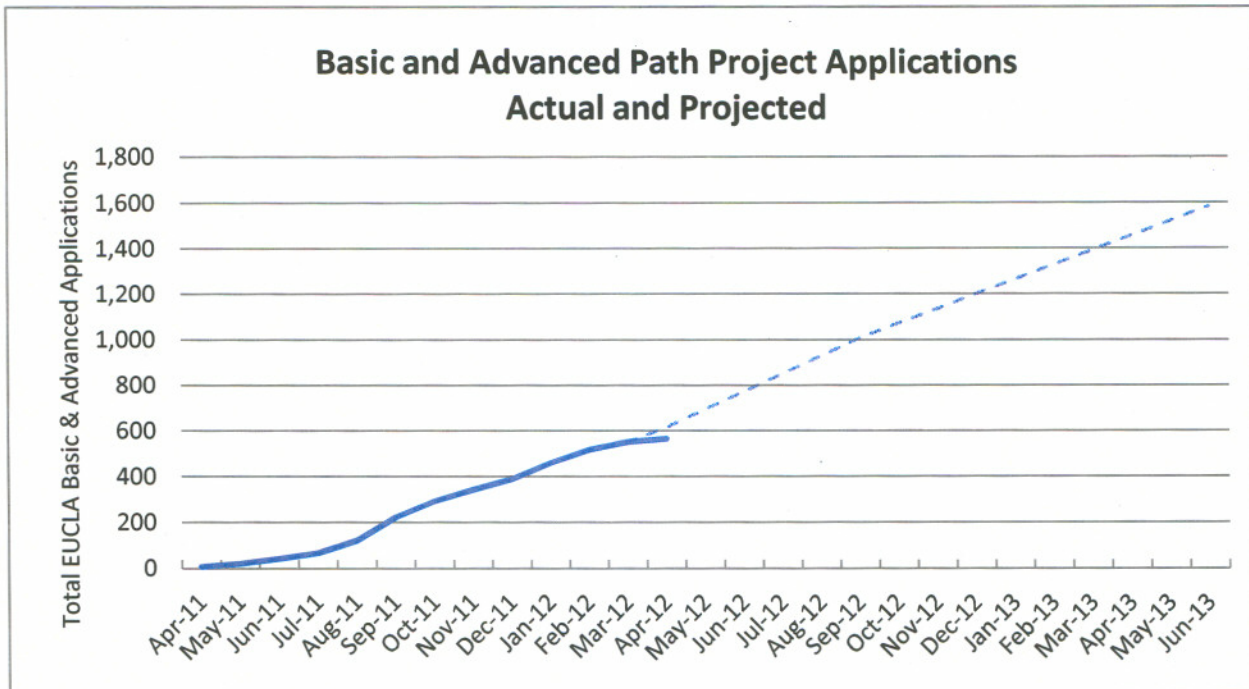
c: ISD Board deputies
Chief Executive Officer
Executive Officer, Board of Supervisors
Deputy CEO

Monthly EUCLA Graphics/Narrative – Through May 1, 2012

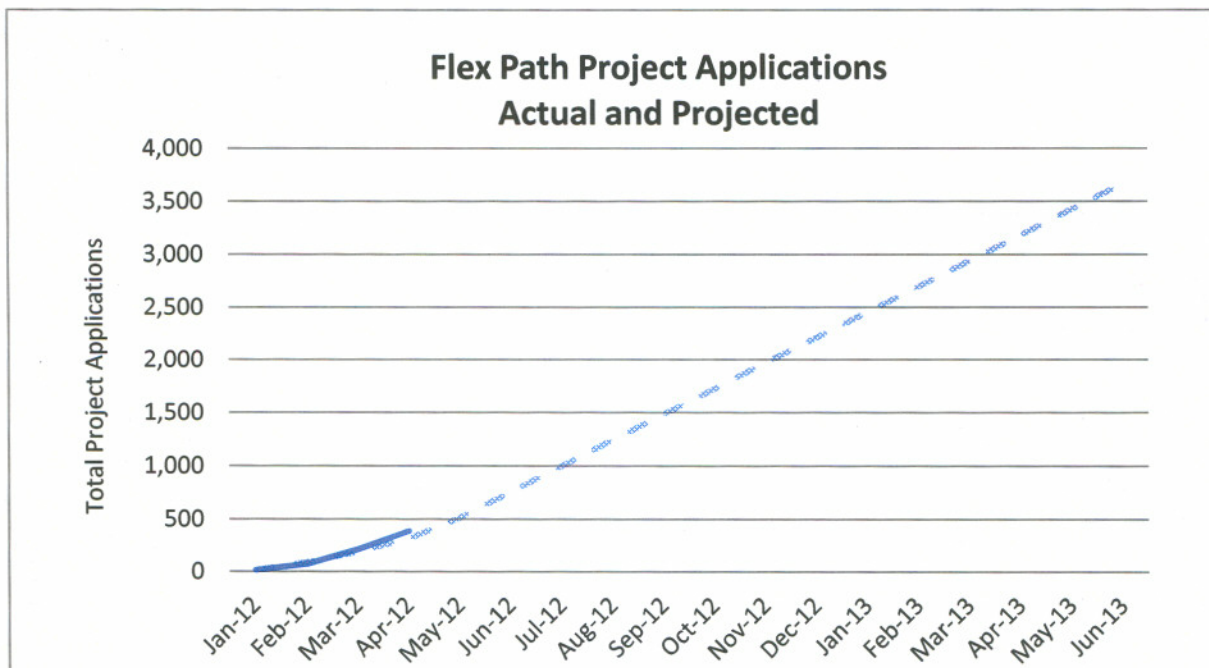
Below are status charts for the Energy Upgrade California in Los Angeles County (EUCLA) program and its subprograms. Also included is a Major Activities narrative summarizing significant program accomplishments, and a Lessons Learned section identifying program issues, and corrective actions taken.



Monthly EUCLA Graphics/Narrative – Through May 1, 2012

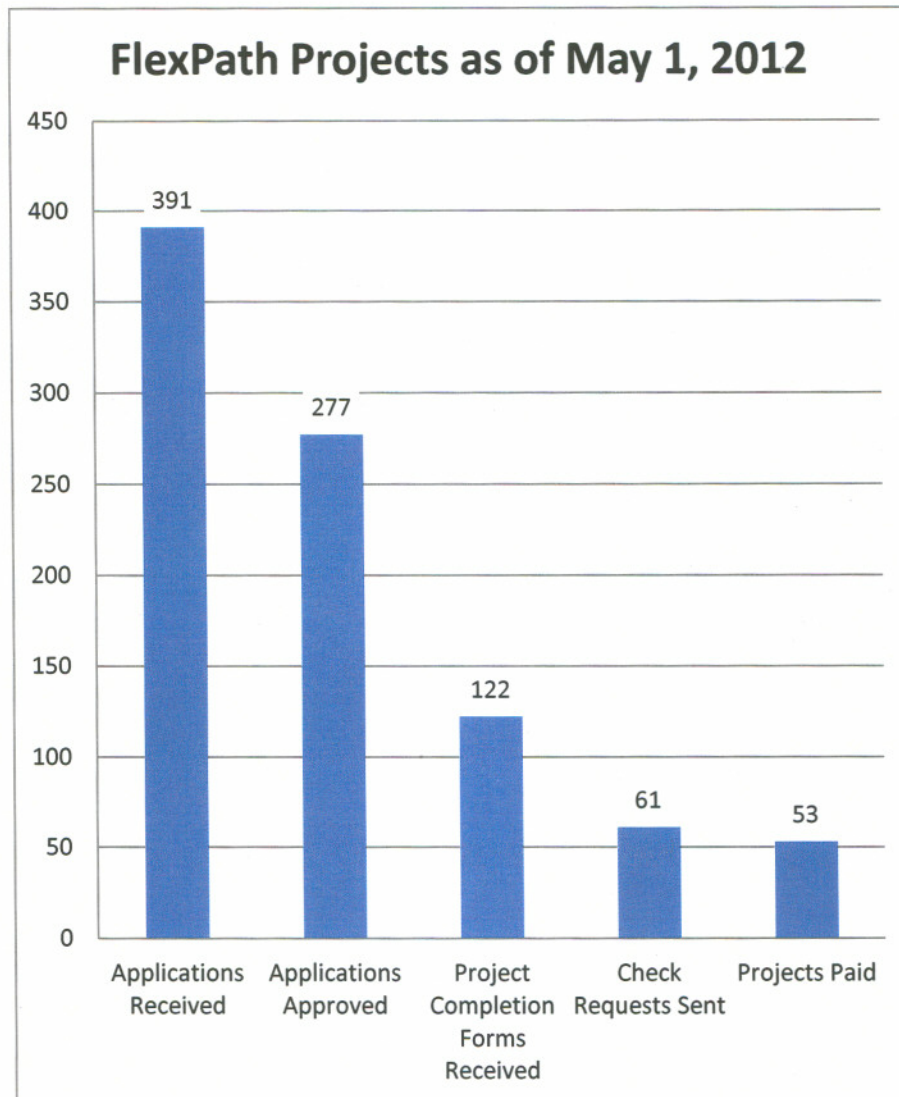


THIS IS A COMBINED TOTAL OF ALL BASIC AND ADVANCED PATH PROJECT APPLICATIONS THAT WERE SUBMITTED UNDER THE SCE/SCG PROGRAM (NOT INCL. FLEXPATH). IN THE MONTH OF APRIL, SCE PERFORMED A SUMMARY REVIEW OF PROJECT APPLICATIONS THAT HAD BEEN ON-HOLD/PENDING FOR LONG PERIODS AND CANCELED A LARGE NUMBER ALL AT ONCE; THIS EXPLAINS THE ADVANCED PROJECTS IN APRIL BEING THE SAME AS MARCH. THERE WERE 49 NEW ADVANCED APPLICATIONS IN THE MONTH OF APRIL. THE INCREASE IN TOTAL EUC PROJECTS IS DUE TO FLEX PATH AND PROJECT APPLICATIONS IN POU TERRITORIES.



THIS SHOWS THE TOTAL OF ALL FLEXPATH PROJECT APPLICATIONS SUBMITTED AS OF END OF APRIL. TOTAL APPLICATIONS ARE CONTINUING TO EXCEED PROJECTIONS.

Monthly EUCLA Graphics/Narrative – Through May 1, 2012

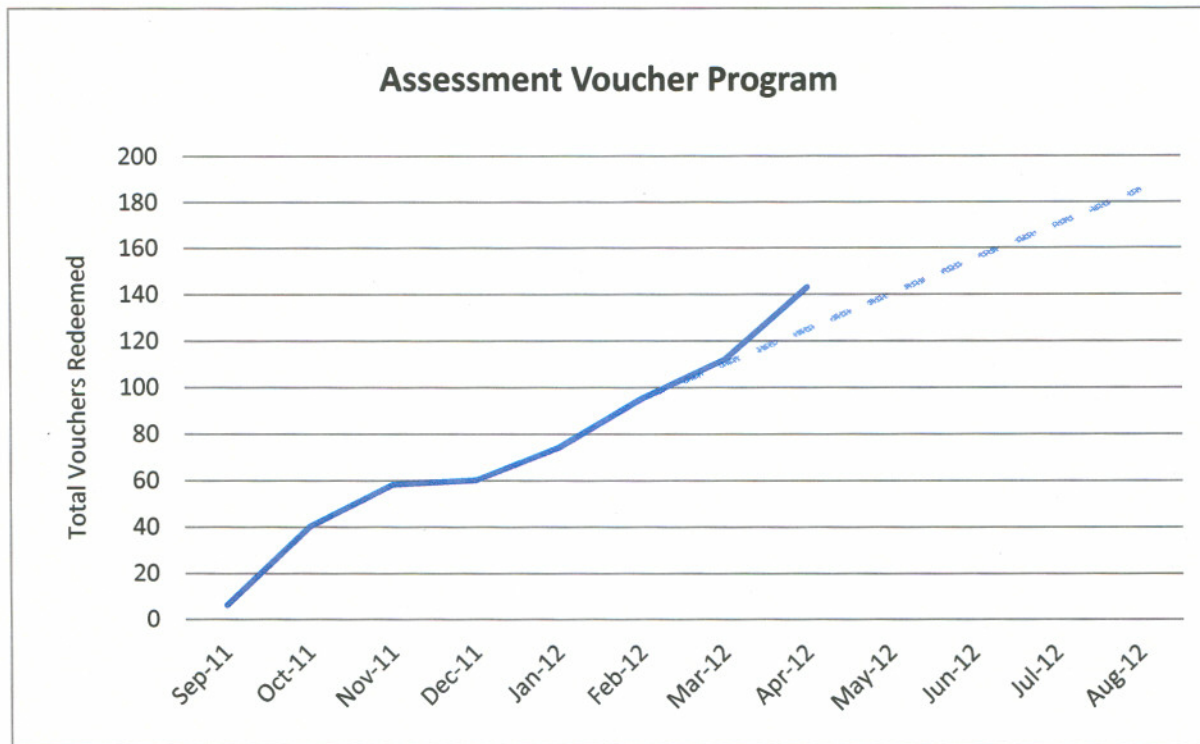


THIS SHOWS CUMULATIVE TOTALS FOR THE FLEXPATH PROGRAM THROUGH THE END OF APRIL.

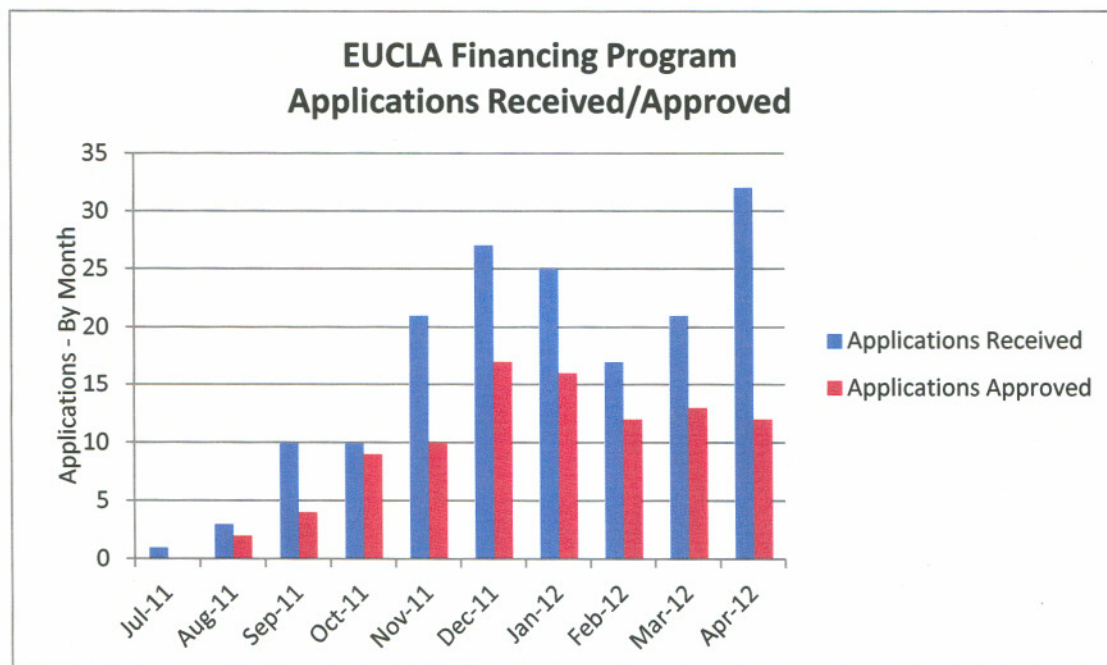
Breakdown of Upgrade Projects and Cost/Savings				
Project Breakdown - LA County	Number of Projects	Average Energy Savings	Average Cost	Average Rebate (Utility + LA County)
Advanced - 57% of Projects	541	27%	\$12,720	\$4,980
Basic - 3% of Projects	23	10%	\$4,772	\$2,000
Flex - 40%	319	16.7%	\$4,554	\$1,500*

**This incentive is paid by LA County only. Some Utility single measure rebates may be added.*

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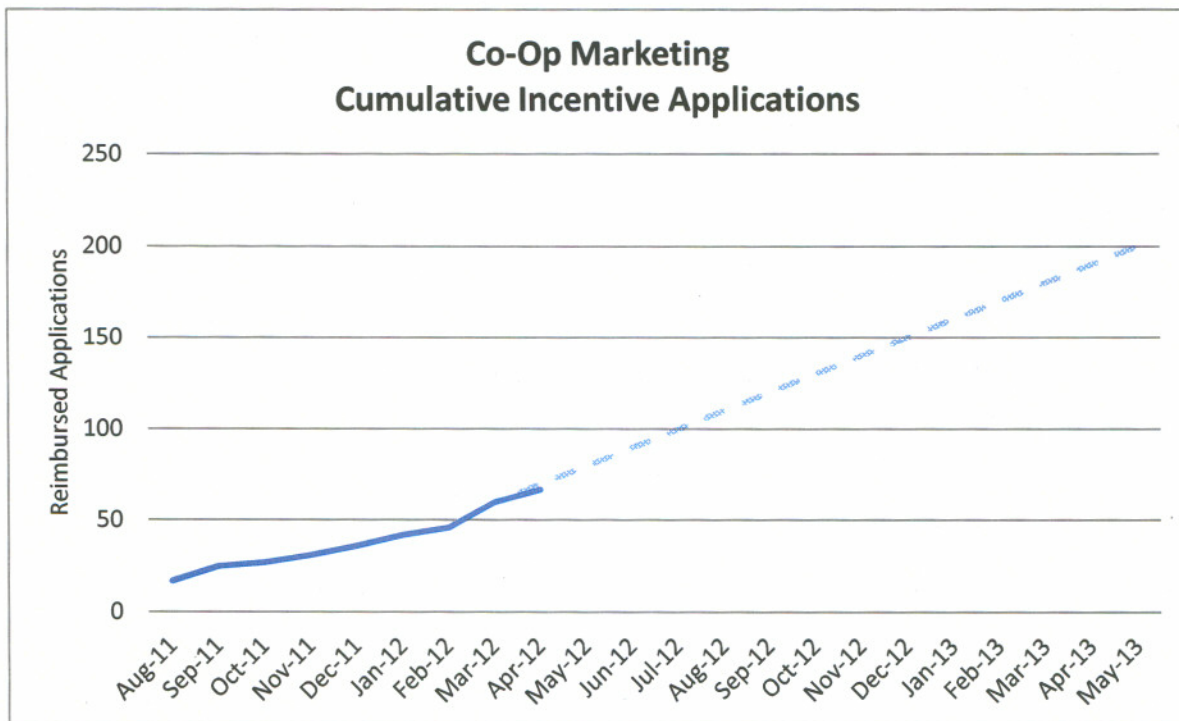
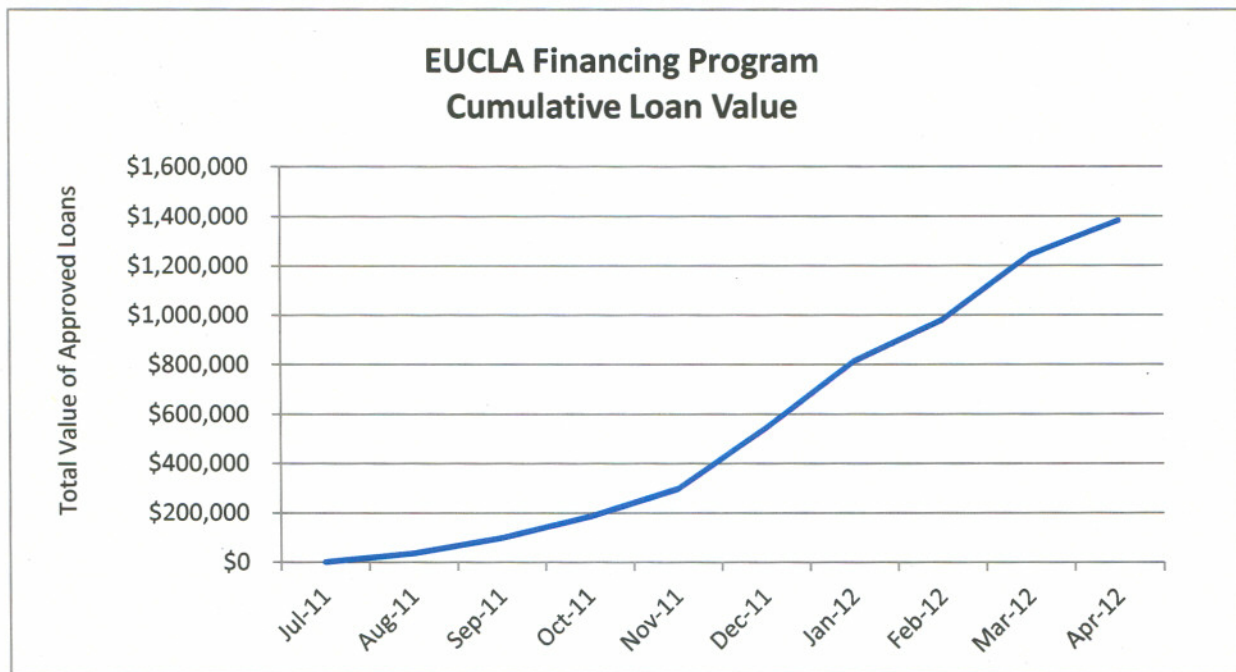


THE NUMBER OF ASSESSMENT VOUCHERS REDEEMED BY HOMEOWNERS CONTINUES TO EXCEED EXPECTATIONS.



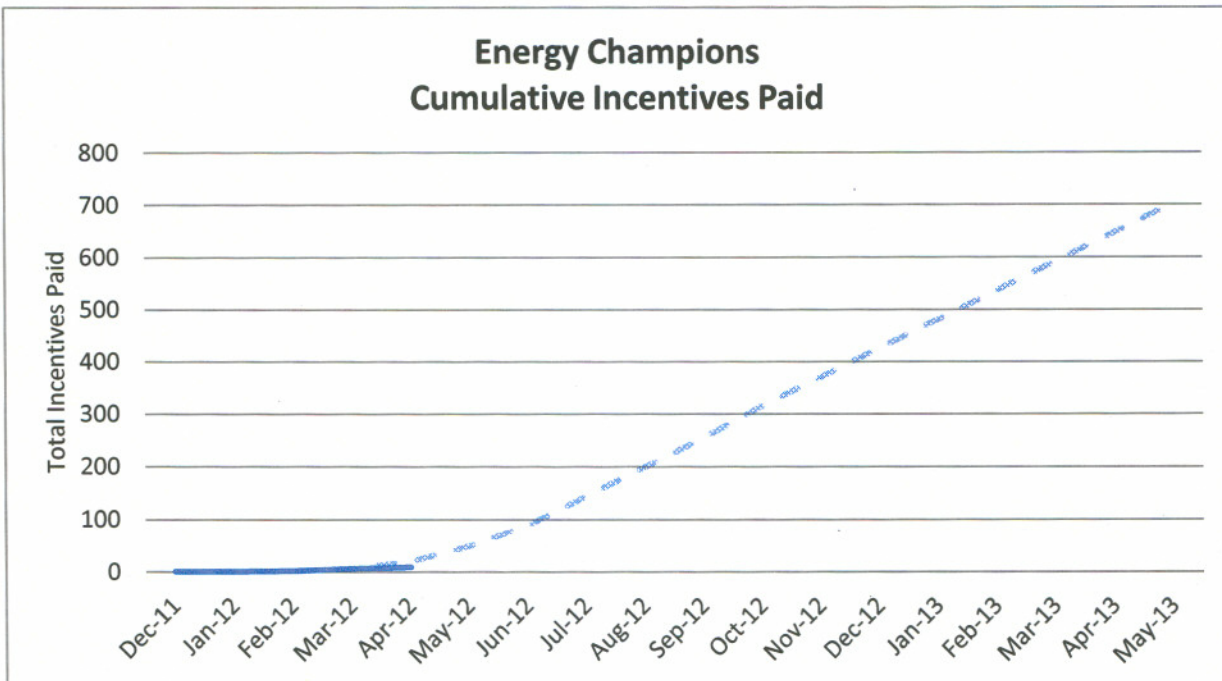
LOAN APPLICATIONS CONTINUE TO PERFORM WELL. THE MAJORITY OF APPLICATIONS ARE TAKING ADVANTAGE OF THE 2% INTEREST RATE PROGRAM, AND THE FLEXPATH PROGRAM HAS NOW BEEN ADDED AS AN OPTION.

Monthly EUCLA Graphics/Narrative – Through May 1, 2012



CO-OP MARKETING APPLICATIONS DIPPED SLIGHTLY IN APRIL. EVIDENCE SUGGESTS THIS MAY BE DUE TO IMPLEMENTATION OF MAJOR REVISIONS IN EUCLA MARKETING WHICH IS CAUSING CONTRACTORS TO DELAY ORDERING ADDITIONAL MARKETING MATERIALS OF THEIR OWN.

Monthly EUCLA Graphics/Narrative – Through May 1, 2012



ENERGY CHAMPIONS HAS SEEN LOWER THAN EXPECTED NUMBERS OF APPLICATIONS. REVISIONS TO THE PROGRAM ARE CURRENTLY UNDER BEING PLANNED. ATTRIBUTION OF PROJECTS TO ELIGIBLE CHAMPIONS WILL CONTINUE TO BE REFLECTED HERE IN COMING MONTHS AS INCENTIVES ARE PAID OUT.

Major activities for the month of April, 2012

1. FlexPath, introduced in mid-January 2012, has received 391 total project applications as of April 30, 2012. This program was implemented with an initial cap of 500 projects, at which time COS would review results and determine whether the program would be extended. Because we are fast approaching the maximum of 500, this review is currently underway, and initial indications are that the program will be extended with a new maximum of 1,500 projects. Funding will come from other EECBG and Better Buildings Program grant sub-programs.
2. The LA County Contractor Scholarship program closed on April 27th. The County provided a total of 240 scholarships, ranging from \$320-\$1000, to eligible professionals who completed authorized training programs or achieved certifications. By assisting contractors with training subsidies, the County was able to grow the local pool of qualified contractors and allow participating contractors to increase the skill set of their employees. In an effort to continue support for the local workforce, COS staff is now pursuing the establishment of a revolving loan fund that will assist contractors in completing additional training, achieving certifications, and purchasing equipment.
3. In the month of April, the Energy Champions program verified the completion of construction of an additional 3 projects for a total of 14 completed, out of 61 submitted to date.

Monthly EUCLA Graphics/Narrative – Through May 1, 2012

4. The HVAC Contractor Outreach Pilot kicked off its incentive program on April 27, 2012. Nineteen EUC participating contractors have elected to participate in this pilot. Prior to launch of the incentives, the pilot trained 13 contractors in Edison's HVAC Quality Installation (QI) certification program. A total of 16 Writesoft (home performance modeling software) subsidies were issued, along with two scholarships for additional software training.
5. Processing has begun to encumber and transfer the additional CEC grant funding approved by your Board on March 6, 2012, will be used to supplement our Loan Loss Reserve and Interest Rate Buy-Down programs, based on recent program success.

Lessons learned and actions taken to improve results

- Based on a recent Decision issued by the Public Utilities Commission, which includes potential program opportunities for local governments, COS will be reevaluating incentive budgets and spend plans for the FlexPath program, as well as the matching Basic and Advanced incentives for EUC.
- The Multifamily program has put a hold on receipt of applications because the program is oversubscribed with the projects that have already received approval. Nine projects, consisting of 734 total units, have been approved and are in various stages of planning for construction. There are additional projects on the wait list that may receive funding, if available. COS will likely reallocate funds from other Better Building Program grant activities (e.g., Energy Champions) to provide additional funding for the Multifamily program.

File: EUCLA Attachment I Narrative-Graphics 5-14-12